Appl. No. 09/717,576
Amdt. dated March 16, 2005
Reply to Office action of December 17, 2004

Docket No. 42525-0700

## Remarks/Arguments:

Applicant respectfully requests that this response be entered as it places all the claims in condition where they are patentable and/or it reduces or simplifies issues that may be appealed. Prior to this amendment, 19 claims were pending, with 6 of those claims being independent claims. After this amendment, 17 claims are pending, with only 3 of those claims being independent claims. As such, the amendment reduces both the number of independent claims and the total number of claims pending.

Claims 1, 3-7, 9-11, 16-19, and 23-26 remain in this application. Claims 2, 8, and 13 were previously canceled, and claims 12, 14-15, and 20-22 were cancelled herein. Claims 1, 3, 6, 7,11, and 16 were amended. Claims 23-26 were added.

Applicant respectfully notes that the Detailed Action, although asserting that claims 11 and 18 were rejected, did not provide reasoning supporting the rejection of claim 11 or claim 18. The Applicant respectfully requests that the finality of the Office Action be withdrawn, and a new Office Action issued which either allows claims 11 and 18, or provides support for rejecting claims 11 and 18.

Applicant also respectfully notes that the form PTOL-326 of the Office Action appears to include a typographic error in that claims 9-11 are not listed as still being pending.

Applicant further respectfully notes that the Detailed Action portion of the Office Action indicates that claims 1-3, 12-15, and 21 were rejected under 35 U.S.C. 103(a) despite the fact that claims 2 and 13 were previously cancelled. Similarly, the Detailed Action indicates that claims 5, 7-11, and 16-19 were also rejected despite the fact that claim 8 was previously cancelled.

Claims 1, 3, and 4 were rejected under 35 U.S.C. 103(a) as being unpatentable over Pare, Jr. et al. (US 6230148, hereinafter "Pare") in view of Randle et al. (US 5974146, hereinafter "Randle") and further in view of Simonoff (US Patent 6611351). The Applicant respectfully traverses as the cited references do not, taken individually or in combination, teach, suggest, or motivate all of the recitations of any of the claims 1, 3, and 4, and there is no teaching or suggestion to

combine the cited references in a manner that would teach, suggest, or motivate all of the recitations of any of the claim 1, 3, and 4.

Claim 1 recites: "A method for printing and verifying checks over a network comprising the following steps: connecting a client computer to a merchant server at a location remote from the client computer; transmitting an order from the client computer to the merchant server; using the client computer to select payment by check; connecting the client computer to a check server; inputting customer data at the client computer; transmitting customer data from the client computer to the check server; transmitting customer data from the check server to a check verification server; transmitting an approval from the check verification server to the check server; and printing a check including data from the check server as a negotiable instrument at the remote location. "

The Office Action asserts that most of the recitations of claim 1 are satisfied by Pare. However, it is important to note that in doing so, the Office Action pulls pieces from two separate embodiments without providing a reason for combining them in the manner asserted. More specifically, Pare discusses a method for handling retail point of sale (POS) transactions, and a method for handling network POS transactions. The Office Action asserts that most of the recitations of claim 1 are satisfied by the retail POS method, but relies on the network POS method for satisfying the claimed step of connecting a client computer to a merchant server. In doing so, the Office Action provides no teaching, suggestion, or motivation for combining the steps of the two separate methods.

The Office Action also asserts that the step of transmitting an order from the client computer to the merchant server is satisfied by figure 4 of Pare. However, figure 4 shows only the Internet, a Data Processing Center, and an Automated Clearing House, and does not show either a client computer or a merchant server. Moreover, it does not show transmission of an order from the client computer to the merchant. It is important to note that Pare is directed primarily to performing an electric check transaction, and does not disclose methods that include an order placement step where an order is transmitted from the client computer to the merchant.

The Office Action also asserts that selecting payment by check is satisfied by figure 6 of Pare. However, although figure 6 discloses a number of steps, none of the steps is directed to selecting a method of payment, and selecting check as the method of payment. Although one step is selection of a payor checking account, that is a selection of one checking account from multiple checking accounts. There is no selection of payment by check at that point as no other payment method is available. Moreover, as amended herein, claim 1 requires that payment selection be done using the client computer. However, selection of checking accounts in Pare is done using the PIA and, as will be discussed further below, the PIA does not satisfy all the claim requirement for the client computer and thus cannot satisfy the recitation that the client computer is used to perform payment selection.

The Office Action also asserts that the step of connecting the client computer to a check server is satisfied by column 13, line 66-67 and column 14, lines 1-19 of Pare. However, that portion of Pare discusses entry of a personal identification number (PIN) into a party identification apparatus (PIA) that is controlled by the payee [Pare, column 13, lines 55-56], and the PIA transmitting a biometric pin to a data processing center (DPC). From prior recitations, the claimed client computer (a) is remote from the merchant computer, and (b) transmits an order to the merchant server. The PIA discussed in relation to retail POS transactions is neither remote, nor transmits an order to the merchant server. As such, the PIA cannot be the claimed client computer as asserted by the Office Action. Moreover, in the network POS transaction, the PIA does not transmit an order to a merchant server. As such, the PIA cannot be the claimed client computer even if the network POS method is used.

The Office Action asserts that the step of inputting customer data at the client computer is satisfied by column 13, line 64 of Pare. However, that portion of Pare only discusses translation and compression of a biometric sample, not the input of customer data. Assuming for the sake of argument that the Office Action intended either the submission of a biometric sample or entering a PIN as satisfying the inputting step, such inputs are provided to the PIA. As previously discussed, the PIA cannot be considered the client computer as it does not satisfy the other recitations of the claim relating to the client computer.

The Office Action asserts that the step of transmitting customer data from the client computer to the check server is satisfied by column 13, lines 66-67 and column 14, lines 1-2 of Pare. However, that portion of Pare discusses transmission of data from the PIA to the DPC. As previously discussed, the PIA does not satisfy the recitation of "client computer" as it does not satisfy the other recitations of the claim relating to the client computer.

The Office Action asserts that the step of transmitting customer data from the check server to a check verification server is satisfied by column 15, lines 1-7 of Pare. However, that portion of Pare discusses transmission of a transaction amount to the PIA (that the Office Action asserts is the client computer) by the payee (presumably by what the Office Action asserts is the merchant server), a transmission of the financial transaction from the PIA to the DPC (which the Office Action asserts is the check server), and a transmission of an ACH transaction to the ACH Operator, which it is presumed the Office Action is asserting is the check verification server.

The Office Action then asserts that the step of transmitting an approval from the check verification server to the check server is also satisfied by column 15, lines 1-7 of Pare. However, that portion of Pare does not discuss any transmission from the ACH Operator to the DPC. As such, there is no transmission from the asserted check verification server to the asserted check server as claimed.

The Office Action acknowledges that Pare does not explicitly disclose the step of printing a check at the remote location, but asserts that such a step is taught by Simonoff, and that (a) it would have been obvious to combine Pare method with Simonoff to allow the seller to generate physical proof of the transaction, and (b) it would have been obvious to print a check at a location remote from the client computer as it has been held that re-arranging parts of an invention involves only routines skill in the art.

In regard to modifying Pare to include a check printing step as taught by Simonoff, the Office Action's assertion fails to support a rejection of claim 1 for a number of reasons. A first is that such a modification would render Pare unsuitable for its intended purpose, i.e. eliminating the need for the payor to use personalized tokens. A second is that it either changes the manner of operation of Pare, i.e. replacing the use of e-checks which is the primary aim of Pare, or results

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in potential duplicate payment by the payor, once by e-check and again by printed check. A third is that modifying Pare to provide physical proof does not satisfy the recitation of the claim as physical proof need not be a printed check. Moreover, a merchant printed check provides no more proof than a printed transaction report, with the transaction report posing less of a risk and being more in compliance with the intent of Pare as not be a negotiable instrument.

In regard to modifying Pare to print a check at a remote location, the Office Action reads *In re Japiske* ("Japiske") overly broadly. Japiske held that there was no invention in shifting a starting switch to a different position "since the operation of the device would not thereby be modified." Such is not the case here. First, Pare is acknowledged as not satisfying the printing step, as such, the "rearrangement" is not simply a rearrangement, but rather a decision to modify Pare to include check printing (which, as discussed above is itself not obvious) at a location remote from the client computer. As such, the reasoning for modifying Pare to include a printing step should also include a reason for printing at a location remote to the client computer. Such reasoning was not provided in the Office Action. Moreover, placement of the printer remote from the client computer is acknowledged by the Office Action as modifying the operation of Pare as Pare justifies the inclusion of the printer on the basis that it provides means for providing physical proof of a transaction to a merchant. As such placement modifies the operation of Pare, it cannot be obvious per se.

As amended herein, claim 1 now recites a step of "printing a check .... as a negotiable instrument" As the Office Action acknowledges, Pare does not disclose printing of a check and thus cannot show printing such a check as a negotiable instrument.

From the forgoing it should be readily apparent that Pare, taken alone or in combination with Simonoff or any of the other cited references, does not teach, suggest or motivate all of the recitations of claim 1. As such, claim 1 is patentable over Pare. Moreover, even if a combination of Pare and Simonoff did teach, suggest, or motivate all the recitations of claim 1, there is no adequate reason to combine Pare and Simonoff, or any teaching or suggestion for doing so, and claim 1 is patentable over the cited references.

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Claim 3 now recites: "confirming the order or payment by a message from the merchant server to the client computer and the check server by sending an electronic mail message to the client computer and the check server, where receipt of the confirming electronic message by the check server determines whether printing of the check is permitted". None of the cited reference teach, suggest, or motivate all the recitations of claim 1 including printing of a check at a remote location from a client computer where such printing is conditioned on receipt of a confirmation message by a check server. As such, claim 3 is patentable over the cited references.

Claim 4 recites in part: "the check is printed by a secure printer connected to a check printing station at the remote location." The Office Action asserts that a combination of Pare and Simonoff satisfies the recitation, and that the combination is obvious in order to allow the seller to generate physical proof of the transaction. However, it has already been pointed out why it is not obvious to print checks or any other negotiable instrument as evidence of a transaction. If a check or other negotiable instrument is not being printed, there is no need to utilize a secure printer simply to provide physical evidence of a transaction. As such, claim 4 is patentable over the cited references.

Claims 5, 7, 9-11, and 16-19 were rejected under 35 U.S.C. 103(a) as being unpatentable over Pare in view of Carlson et al. (US 5053607, hereinafter "Carlson") and further in view of Hills et al. (US 6164528, hereinafter "Hills"). The Applicant respectfully traverses as the cited references do not, taken individually or in combination, teach, suggest, or motivate all of the recitations of any of the rejected claims, and there is no teaching or suggestion to combine the cited references in a manner that would teach, suggest, or motivate all of the recitations of any of the rejected claims.

Claim 5 recites in part: "storing the approval from the check verification server in a merchant file in the check server; and, downloading the merchant file from the check server to a check printing station." The Office Action rejects claim 5 by first asserting that Pare discloses the method of claim 1. However, this is contrary to the Office Action rejection of claim 1 which acknowledged that Pare alone does not disclose the method of claim 1. As such, the combination asserted by the Office Action does not satisfy all the recitations of claim 5.

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For the sake of argument, it can be presumed that the Office Action intended to assert that claim 1 was disclosed by the combination of Pare, and Simonoff. However, such would be an incorrect assertion for the reasons previously given with respect to claim 1. Moreover, the Office Action does not provide any reason for forming a combination of Pare, Simonoff, and Hills.

Regardless, the Office Action asserts that the recitations of claim 5 are satisfied by Hills, in particular by the Abstract and the text of column 12, lines 54-67 of Hills. However, the Abstract only discusses storage of transaction event information on a central computer for subsequent electronic bank reconciliation to support eliminating the need for paper checks. It does not discuss downloading a file containing that information to a check printing station. Column 12, lines 54-67 discusses printing a transaction record but does not does not discuss downloading a file from the central computer to a check printing station. Although that section also refers to subscriber checks, the checks referred to are provided by the subscriber, not printed at a printing station.

From the foregoing, it should be apparent that claim 5 is patentable over the cited references.

In rejecting claims 7, 9, and 10, the Office Action asserts that Pare discloses the method of claim 6. However, this is contrary to the Office Action rejection of claim 6 which acknowledges that Pare alone does not disclose the method of claim 1. As such, the combination asserted by the Office Action does not satisfy all the recitations of any of claim 7, 9, and 10.

For the sake of argument, it can be presumed that in rejecting claims 7, 9, and 10, the Office Action intended to assert that claim 6 was disclosed by the combination of Pare, Hills, Randle and Simonoff. However, claim 6, and by dependence on claim 6, claims 7, 9, and 10 now depend on claim 1, and Hills does not make up for failure of Pare, Randle and Simonoff to obviate claim 1. As such, claims 7, 9, and 10 are all patentable over the combination proposed by virtue of their dependence on claims 1 and 6.

Regardless, the Office Action acknowledges that Pare does not explicitly disclose that "the secure printer is a magnetic ink character recognition-enabled printer." However, the Office Action asserts that it would have been obvious to combine Pare with Simonoff to generate a

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paper check that is routable via standard bank procedures. However, that reasoning does not address why Pares, which is intended to eliminate the need for paper checks, would want to generate a paper check in the first place. If one carries through the reasoning previously provided for combining Pares and Simonoff, i.e. providing a merchant with physical evidence of a transaction, there is no reason why such physical evidence would benefit from being routable via standard bank procedures.

Claim 10 recites in part: "the approval comprises the customer data transmitted from the client computer to the check server." A particularly relevant part of claim 6 recites: "transmitting an approval from the check verification server to the client computer in addition to the check server." As such, claim 10 requires that approval be transmitted from the check verification server to the client computer, and include customer data transmitted from the client computer to the check server. The cited portion of Pare discusses transmission from a payee to the PIA and from the PIA to the DPC, and possibly from the DPC to the ACH Operator. There is no discussion of the ACH operator (that the Office Action asserts is the check verification server) transmitting to the PIA (which the Office Action asserts is the client computer). Moreover, there is no discussion of the ACH operator providing information provide by the PIA back to the PIA as approval. As such, claim 10 is patentable over the cited references.

Claim 11 recites in part: "the approval comprises a guarantee of payment to a merchant." As previously discussed, the Office Action provides no support for the rejection of claim 11. As such, it is presumed that the Office Action acknowledges that the recitations of claim 11 are not taught, suggested, or motivated by any of the cited references taken individually or in combination, and that claim 11 is thus allowable.

The inadequacy of the cited references as discussed above are sufficiently applicable to claims 16-19 that it should be readily apparent that claims 16-19 are patentable over the cited references.

In regard to claim 16, claim 16 as amended herein recites in part: "the check server comprising a merchant file, the merchant file comprising an approval transmitted from the check verification server, information identifying an order transmitted from the client computer to the merchant

server, and customer data inputted into the client computer and transmitted from the client computer to the check server; the check printing station comprising a copy of the merchant file downloaded from the check server such that the check printing station can use the merchant file to print a check using the printer. None of the cited references, individually or in combination, teach, suggest, or motivate a check printing station having a downloaded merchant file containing the claimed information such where the file can be used to print a check. As such, claim 16 is patentable over the cited references.

The Office Action rejected claim 6 under 35 U.S.C. 103(a) as being unpatentable over the combination of Pare, Hills, Randle and Simonoff. The Applicant respectfully traverses.

Claim 6 recites in part: "transmitting an approval from the check verification server to the client computer in addition to the check server." The Office Action fails to address the recitation of providing approval from the check verification server to the client computer. As such, claim 6 is patentable over the cited references. However, if for the sake of argument it was assumed that the reasoning provided for rejecting claim 10 was partially applicable to claim 6, one would have to conclude that claim 6 is patentable over the cited reference for the reasons provide in relation to claim 10.

It is believed that the case is now in condition for allowance, and an early notification of the same is requested. If the Examiner believes that a telephone interview will help further the prosecution of this case, he is respectfully requested to contact the undersigned attorney at the listed telephone number.

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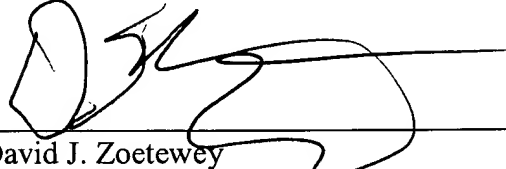
By: _____ Rachel Carter _____

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Signature

Dated: March 16, 2005

Very truly yours,

**SNELL & WILMER L.L.P.**

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David J. Zoetewey
Registration No. 45,258
1920 Main Street, Suite 1200
Irvine, California 92614-7230
Telephone: (949) 253-4904